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## MONDAY, OCTOBER 22, 2012

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Lauman, Commissioner Scott and Holmquist, and Clerk Robinson were present.

### NO MEETINGS SCHEDULED

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on October 23, 2012.

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## TUESDAY, OCTOBER 23, 2012

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Lauman, Commissioner Scott and Holmquist, and Clerk Robinson were present.

**Chairman Lauman opened public comment on matters within the Commissions' Jurisdiction, no one present to speak, Chairman Lauman closed the public comment period.**

### **PUBLIC HEARING: CREATION OF RSID #154 (LITTLE MOUNTAIN PROPERTIES)**

[9:00:00 AM](#) & [11:12:34 AM](#)

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Deputy County Attorney Tara Fugina, Clerk Kile

**Chairman Lauman opened the public hearing to anyone wishing to speak in regards to creation of RSID #154.**

**No one rising to speak, Chairman Lauman closed the public hearing.**

Pence reported RSID #154 is for a private road and would be fully funded by the property owners.

Fugina noted the resolution to create the district would go back on the agenda on October 29, 2012 @ 9:45 for consideration.

### **MEETING W/ MINDY COCHRAN, GIS RE: GIS SERVICES AGREEMENT OUTSIDE DATA MAINTENANCE**

[9:15:53 AM](#)

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Deputy County Attorney Peter Steele, I.T. Director Vicki Saxby, GIS Program Manager Mindy Cochran, Clerk Kile

Cochran met with the commission and asked for their guidance in regards to what Flathead County's role is in maintaining the database for the cities of Kalispell, Whitefish and Columbia Falls. She explained when the GIS database was originally created they went through all the documents in the Plat Room where ownership records for the cities are kept. Cochran noted that currently the GIS Department provides the extra service at no cost. She reported Flathead County is the only large county currently doing addressing data maintenance for cities without an agreement in place.

General discussion was held relative to the "draft" agreement presented that would help to recover costs if approved.

The commission unanimously agreed to seek input from the city managers regarding an agreement, and to look at other entities that use the GIS database where costs could be recovered.

### **CONTINUATION OF CONSIDERATION OF ADOPTION OF FINANCE DEPARTMENTS PURCHASING & SURPLUS POLICIES**

[9:31:14 AM](#)

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Finance Director Sandy Carlson, Clerk Kile

Carlson reviewed the proposed purchasing policy and surplus policy being considered.

Commissioner Scott made a **motion** to approve the purchasing and surplus policy presented. Commissioner Holmquist **seconded** the motion. **Aye** - Lauman, Scott and Holmquist. Motion carried unanimously.

### **FLATHEAD COUNTY PURCHASING POLICY**

**Purpose:** The purpose of this policy is to define the procedures used to consistently apply the procurement laws applicable to county government within the state of Montana. In addition it should provide increased economy in county procurement activities and maximize to the fullest extent practicable the purchasing value of public funds of the county. This policy strives to comply with MCA Title 7, Chapter 5, Part 23 "County Contracts: and the applicable parts of MCA Title 18, "Public Contracts" and Rule 2.5 of the Administrative Rules of the state of Montana, "State Procurement".

**Scope and Applicability:** This policy is applicable to all county departments and entities, for all acquisitions of goods or services. Departments may apply additional requirements as long as they are equal to or more restrictive than the procedures and standards established in this policy and consistent with the purposes of this policy. All computer-related hardware and software purchases are subject to equipment & software purchase & disposal policy and will be managed by the IT department.

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**(Continued)**

**Contract Authority:** The authority to enter into contracts for the benefit of Flathead County, its departments and entities is exercised by the Flathead County Board of County Commissioners unless specifically authorized otherwise. When authorization is granted, employees must be knowledgeable of the contents of the contract and agreeable to the terms and conditions.

**Administration:**

1. Elected Officials/Department Heads are responsible for the implementation of this policy within their departments and for establishing procedures to demonstrate compliance.
2. The finance department shall provide general oversight and assistance to county departments in the administration of this policy and should be considered a resource for questions and information regarding purchasing and contracting. Any legal question should be addressed with the County Attorney's office.

**General Guidelines:**

1. Purchases or contracts shall not be artificially divided into separate projects or expenditures to circumvent the requirement of a more formal purchasing process. The purchase price of an item includes all ancillary charges such as shipping/handling & taxes etc....
2. Long term service contracts for 12 months or more shall engage in the competitive process at least every 5 years.
3. Maintenance and service contracts related to underlying assets (e.g. software, road maintenance equipment) shall engage in the competitive process at the expiration of the expected useful life of the asset.
4. Awards shall be made to responsible vendors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration shall be given to such characteristics as integrity, compliance with public policy, record of past performance, and financial and technical resources. No awards shall be given to any vendor currently in litigation with the County.
5. No employee shall participate in the award and/or administration of a contract if a conflict of interest exists, whether real or apparent. Such a conflict arises when the employee has a special relationship as a related party to a vendor or potential vendor.
6. No employee may solicit or accept gifts in excess of \$50, or of a substantial economic benefit tantamount to a gift, from potential or actual vendors.

**Procedures for Vendor Selection:**

**<\$5,000** For purchases of goods and services less than \$5,000, any purchasing technique may be used that best meets the needs of a department. Although a vendor may be chosen without seeking competition, it is recommended that departments use prudent purchasing practices and obtain competitive prices when practical. Authority for approval of claims is defined in the "authority to contract" section on page one of this policy.

**\$5,001-\$25,000** The department obtains and documents an oral or written opportunity for a minimum of two vendors if possible to offer a price on the desired item or service according to the specifications established for the purchase.

**\$25,001-\$50,000** The department obtains and documents a written opportunity for a minimum of three vendors if possible to offer a price on the desired item or service according to the specifications established for the purchase.

**Over \$50,000** exclusively on price, an invitation for bid process is used. An invitation for bid is also used for multiple purchases of the same item when it is reasonably expected that the annual amount of such purchases will be greater than \$50,000.

**Quote Requirements** - In addition to the description of the goods or services desired, vendors should be provided with other relevant information, including but not limited to: compatibility with other county equipment; date the supplies, services, materials, equipment must be delivered or be available for county use; anticipated duration of the need for the services requested; and any selection criteria, including relative importance, to be used in addition to price. The vendor is selected using the criteria stated in the limited solicitation.

The dollar range for use of a limited solicitation applies to the initial contract term and any possible renewal periods. It also includes all ancillary charges such as shipping/handling & taxes etc...

**Procurements shall not be artificially divided or sequenced to avoid using the other methods.**

The department documents the solicitation process by maintaining a file including the oral or written solicitation, a summary listing of the vendor responses, and a complete copy of the vendor response selected. Responses shall be available for public inspection or telephone inquiry. If the required number of vendors are not available, an explanation must be provided. Any solicitation received from a related party must be documented and disclosed.

**Except for new or used vehicles**, the departments may participate in electronic online auctions for limited solicitations under the following conditions: (PER Arm 2.5.603)

- 1) Two quotes must first be obtained from viable sources and the lowest of the two quotes must be the amount that the auction price may not exceed;
- 2) Terms of the participation in the auction must comply with state law;
- 3) The auction price must include all fees associated with participating in the auction including shipping and handlings;
- 4) The terms of the purchase must include a right to return.

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**(Continued)**

**Requirements for a Sealed Bid:**

The requesting department develops a "sealed" invitation to bid package.

- 1) An invitation for bid shall include the following:
  - a) Instructions and information to bidders concerning the bid submission requirements, including the time and date established for bid opening, the address of the office to which bids are to be delivered, and any other special information;
  - b) The purchase description, delivery or performance schedule, and any inspection and acceptance requirements not included in the purchase description; and
  - c) The contract terms and conditions, including warranty and bonding or other security requirements, as applicable.
- 2) The invitation for bid may incorporate documents by reference if the invitation for bid specifies where such documents can be obtained.
- 3) Where a brand name specification is used in a solicitation, the solicitation shall contain explanatory language that the use of a brand name is for the purpose of describing the standard of quality, performance, and characteristics desired, and are not intended to limit or restrict competition. (When bidding an "or equal" product, the burden of persuasion is on the bidder.) The department head is given the responsibility and judgment for making a final determination on whether a proposed substitution is equal to the brand name specified.  
All specifications shall promote overall economy for the purposes intended and encourage competition in satisfying the county's needs and may not be unduly restrictive.
- 4) All bids will be time-stamped and stored in a secure place until the time and date set for bid opening. In order to be considered timely, a complete printed bid response must be delivered to the specified destination by the specified time.
- 5) Bids shall be opened publicly by the Board of Commissioners at the date and time designated in the invitation for bid and entered into the minutes.
- 6) Bid offers will be reviewed to determine which bidder offers the lowest cost to the county in accordance with the specifications set forth in the invitation for bids.
  - The bid is awarded to the lowest responsible bidder.
  - If there are no out of state bidders, (MCA 7-5-2309) allows an optional bidding preference to a county resident whose bid is no more than \$500 or 3% higher, whichever is less, than the bid of the lowest responsible bidder who is not a county resident.
- 7) Nothing in this policy shall be deemed to permit contract award to a bidder submitting a higher quality item than that designated in the invitation for bid if such bidder is not also the lowest bidder.
- 8) Multiple award contracts are allowable if determined to be in the best interest of the county.
- 9) In the case of a tie bid, the bidder offering American-made products or supplies must be given preference.
- 10) Proper notice and publication will be arranged by the requesting department.
  - a) The bid must be published for a minimum of two consecutive weeks in the newspaper under contract with the county to provide legal advertising.
  - b) The final published notice must appear at least 3 days prior to the bid opening.

The published notice shall contain;

- 1) a brief statement about the procurement for which bids are sought,
- 2) where complete specification may be obtained if not provided in the published notice,
- 3) the contact information for the county employee responsible for answering questions about the bid,
- 4) specific bid requirements for contract or performance security,
- 5) the initial contract term and any renewal periods,
- 6) the address where bids are to be mailed,
- 7) the due date and time for receipt of bids,
- 8) and the location of the bid opening.

Bid award will be made by the Board of Commissioners. After the bid has been awarded, all bids and bid documents must be open to public inspection. The amount of each bid, name of each bidder and any other relevant information will be included in the Board of Commissioner minutes.

**Request for Proposal (RFP)**

An RFP is used for procurement of goods and services greater than \$50,000 **when it is desirable to incorporate factors other than cost** into the selection criteria. It is recommended that a selection committee be used to consider complex or high dollar RFP's. The award is made to the responsible bidder whose proposal obtains the highest score according to the stated evaluation criteria. No other criteria may be used.

**Request for Qualifications (RFQ):**

A request for qualifications process is used to acquire **professional services** greater than \$50,000. A lower threshold of \$20,000 applies to architectural, engineering, or land surveying services (MCA 18-8-Part 2). A provider of professional services is selected based on demonstrated competence and qualifications for the type of services desired at a fair and reasonable price.

**Bid and contract performance security:**

For county contracts for the procurement of services or of supplies, the county may in its discretion require bid security, performance security or both. Requirements should be discussed with the County Attorney's office prior to the invitation for bid.

**Bid Security:** If bid security is required in response to an invitation for bid, it must be provided in accordance with MCA 18-1-201 through 206. Specifically:

1. Each bidder must provide a bid bond or other security in the amount of 10% of the bid price to protect and indemnify the county against the failure or refusal of the bidder to enter into the contract, if awarded.
2. The bond or other security is subject to forfeit if the bidder fails to enter into a contract within 30 days of bid acceptance.
3. The bond or other security is subject to forfeit if the bidder fails to enter into a contract within 30 days of bid acceptance.
4. The bid bond or other security must be in the form specified in MCA 18-1-203 and payable to the county. Although other forms of security are allowed, the most common forms are cashier's check or bond executed by a surety corporation.
5. Bid security is returned to bidders whose bids are not accepted.

**Performance Security:**

Requirements for contract performance security are determined on a case by case basis in conjunction with the County Attorney's office. This guarantee's the faithful performance of the contract and the payment of all laborers, suppliers, mechanics, and subcontractors.

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**Public Works Contracts:** In addition to the requirements listed above, all public works bid specifications and contract for construction and non-construction services greater than \$25,000 are subject to the following provisions:

- 1) Contractor shall agree to:
  - a. Give preference to the employment of bona fide Montana residents in the performance of the work;
  - b. Include provisions for work that is performed at a project location to:
    - i. Pay the travel allowance that is in effect and applicable to the district in which the work is being performed; and
    - ii. Pay the standard prevailing rate of wages, including fringe benefits, that is in effect and applicable to the district in which the work is being performed;
  - c. Post a copy of the applicable prevailing wage rates in a prominent and accessible site at the project location; and
  - d. Maintain payroll records capable of certification for at least three years after completion of work under the Agreement.
  - e. If the term of the contract calls for more than 30 months to fully perform, contractor further agrees to increase the standard prevailing rate of wages by 3% every 12 months after the contract award date and apply the adjustment every 12 months for the duration of the contract.

**Performance security requirements:** In accordance with MCA 18-2-201 all construction contractors shall execute a bond to secure performance on the contract and payment of workers, subcontractors, and suppliers. MCA 18-2-201(4) allows the bond requirement to be waived for contracts less than \$50,000 except for public works contracts. All public works contracts greater than \$25,000 are subject to the prevailing wage requirements of MCA 18-2 Part 4.

**Bidding preferences:** Per MCA 7-5-2309(2), if one or more out of state bidders respond to an invitation for bid for construction, repair, or maintenance of a building, road, or bridge, a resident bidder must be allowed a preference if the state of the non-resident enforces a preference for residents.

**Purchase of Used Equipment:**

Purchase of used equipment is allowable if in the best interest of the County. The contract will be made by identifying the requirements and proceeding with the competitive bidding or proposal process. (ARM 2.5.601) Criteria to consider in making this determination include:

- a) Consideration of the type, use, and life expectancy of new versus used equipment;
- b) Comparing the purchase price of new and used equipment;
- c) Comparing the price and general condition of used equipment among several vendors;
- d) Consideration of the freight charges and FOB point;
- e) Investigation of manufacturer or brand and availability of warranty, maintenance, and parts; and
- f) Clarification of payment terms.

**Real Property and Conservation Easements:**

Acquisitions of real property and conservation easements are subject to the provisions of MCA 7-8-2202. Real property in excess of \$20,000 and conservation easements greater than \$80,000 are subject to valuation prior to purchase either by a certified general real estate appraiser or by three disinterested citizens appointed by a district court judge. Payment may not exceed such appraised value. Negotiations for such acquisitions shall be done in consultation with the County Attorney's Office.

**EXCEPTIONS TO THIS POLICY:**

**Direct Negotiation** – When no bids or proposals are received in response to an invitation to bid, or no responsible bidders, the department head may negotiate directly with a vendor if a determination is made that a subsequent bid would also be unsuccessful. The department must document the circumstances that lead to direct negotiation for the desired goods or services.

**Emergencies** – Under very limited circumstances, a department may need the flexibility to make an emergency purchase. Such purchases are typically made outside of the normal purchasing procedures due to the sudden and unexpected situation that requires immediate action. The purchase shall be limited to the supplies or services necessary to address the emergency; competition to the extent practical shall be obtained; the Board of County Commissioners shall be notified as soon as possible about the need for emergency purchases and/or contract; the department making the emergency purchase shall maintain a file of each emergency purchase including a brief description of the emergency conditions justifying the purchase.

**Sole source purchases** – The only time this exception applies is when there is only one acceptable or suitable source for the supply or service item. Because this purchase occurs without benefit of competition, departments should exercise great reluctance to use this procurement method.

**Professional licenses and training** – to maintain professional licensure or membership in professional accreditation organizations, including professional training, where relevant to the performance of an employee's work duties.

**Purchases made under state bid contracts** - pursuant to MCA 7-5-2308 – Under this exception, the state of Montana has engaged in the competitive procurement process. Reference to the state contract number must be documented on all purchases.

**Purchases at public auction pursuant to MCA 7-5-2303** – when, in lieu of soliciting bids, the department purchases at public auction a vehicle, road machinery or other machinery, apparatus, appliances, equipment, or materials or supplies for an amount less than \$60,000.

**Maintenance agreements** - provided by an existing software, hardware, or equipment vendor. The expiration of the expected useful life of the asset should engage a competitive process.

Any request for variance from the provision of this policy has to be petitioned by the department head and have approval by the Board of County Commissioners. To support the request for variance, the department head shall be prepared to demonstrate good cause for the variance, as well as:

- 1) Show how compliance with legal requirements will be achieved;
- 2) How clear contract obligations will be formulated without undue exposure to liability;
- 3) How a fair and open process for the expenditure of public funds will be maintained.

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**(Continued)**

**In addition, competitive procedures are not necessary for the following purchases:**

- a) Salaries;
- b) Fees for those professions exempted by 18-4-132
  - (i) a registered professional engineer, surveyor, real estate appraiser, or registered architect;
  - (ii) a physician, dentist, pharmacist, or other medical, dental, or health care provider;
  - (iii) an expert witness hired for use in litigation, a hearings officer hired in rulemaking and contested case proceedings under the Montana Administrative Procedure Act, or an attorney as specified by executive order of the governor;
  - (iv) consulting actuaries;
  - (v) a private investigator licensed by any jurisdiction;
  - (vi) a claims adjuster; or
  - (vii) a court reporter appointed as an independent contractor under [3-5-601](#);
- c) Travel and per diem;
- d) Retirement and social security payments;
- e) Freight;
- f) Landfill charges;
- g) Supplies or services whose prices are regulated by the Public Service Commission or other governmental authority;
- h) Pastoral services;
- i) Training;
- j) Training and conference space rental and catering;
- k) Fresh fruits and vegetables;
- l) Food products produced in Montana, subject to the provisions of MCA 18-4-132
- m) Advertising place in publications or on radio, television, or other electronic means. (Development, design, and distribution of the advertising are not included in this exception);
- n) Educational instructors and guidance counselors for inmates under the supervision of the Department of Corrections' and
- o) Books and periodicals.

**CONTRACTS:**

**Form of Contract:**

**INVOICE:** Although an invoice is a type of contract, it is frequently used in combination with a formal contract to bill services performed or products delivered to date according to contract terms. In circumstances, an invoice may be used on a standalone basis

- a. An invoice based contract is allowed if:
  - i. The total amount of the purchase is less than \$25,000 for goods or less than \$5,000 for purchases other than goods; or
  - ii. The contract term is not more than 1 day (i.e. a single delivery of goods, or performance of services on a single day).

**WRITTEN:** A written contract is required for all purchases of goods and services which do not meet the criteria for use of an invoice. **A written contract needs to be signed by the Board of Commissioners.** An exception would be maintenance contracts under \$5,000 and within budget authority or delegation of authority by the Commissioners.

**Authority to contract:**

Elected Officials/Department Heads are authorized to enter into invoice-based contracts when the requirements above are satisfied and cost of the contract is within their budget authority. This authority can be delegated with **proper written approval**. (See also Contract Authority section – page one.)

**Contract Language:** All contracts must comply with any applicable legal requirements, including but not limited to the prevailing wage language required for public works contracts. It is recommended that contracts be initially drafted by vendors. All contracts must be reviewed by the County Attorney's office before submission for approval. Any contract to be funded by one or more grants must conform to grant award documents and include any contract language required by the grant.

**Security requirements for contracts, in general.** Bonds or other security may be required for any contract, to secure performance and payment of workers, subcontractors, and suppliers. Security required for contracts other than construction shall be determined on a case by case basis.

**Insurance Requirements:** Contract provisions shall require the contractor to carry adequate workers' compensation, general liability insurance, and/or other types of insurance as directed by the Flathead County Risk Manager.

**Contract Renewals:** - Upon expiration of a contract, the contract may be renewed after sufficient consideration of the following:

- 1) The renewal periods are consistent with the original solicitation;
- 2) The total contract term, including extensions and renewals, does not exceed 5 years;
- 3) Funds are available to support the continued performance of the contract; and
- 4) Contract renewal is in the best interest of the County.
- 5) A new contract must be submitted to the Board of County Commissioners for signature.

**FLATHEAD COUNTY SURPLUS POLICY**

**Purpose:** This policy seeks to establish procedures for the disposition of surplus county real and personal property in accordance with MCA 7-8-22. "Acquisition, Transfer, and Management of County Property."

**Scope and Applicability:** This policy is applicable to all county departments. Departments may apply additional requirements as long as they are equal to or more restrictive than the procedures and standards established in this policy. All computer-related hardware and software disposal is subject to equipment & software purchase & disposal policy and will be managed by the IT department.

**Administration:** Elected Officials & Department heads are responsible for the implementation of this policy within their departments and for establishing procedures to demonstrate compliance.

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**(Continued)**

**General Guidelines:**

Boards of County Commissioners have the power to sell, trade, or exchange any real or personal property, however acquired, belonging to the county that is not necessary to the conduct of county business or the preservation of its property. All surplus property valued over \$100 must be declared by the Board of Commissioners using the "Request for Declaration of Surplus Property" form. (A copy of the final approved form must be forwarded to the finance department.) When county equipment is declared "surplus property" and considered no longer needed to conduct county business, the Commissioners have the discretion on the type of disposal. Discretion may be delegated to department heads so long as it remains in compliance with this policy.

Items with a fair market value of less than \$100 may be disposed of in the manner that is in the best interest of the County. (A second opinion on FMV must be obtained from the finance department prior to disposal.) The disposal method will be at the discretion of the elected official/department head. Employees or employee family members cannot benefit from any disposal (including discarded items), unless purchased at a public auction. (See page 2 of this document – County Employee participation.)

If the county owns property containing a historically significant building or monument, the county may sell or give the property to nonprofit organizations or groups that agree to restore or preserve the property. The contract for the transfer of the property must contain a provision that:

- 1) Required the property to be preserved in its present or restored state upon any subsequent transfer; and
- 2) Provides for the reversion of the property to the county for noncompliance with conditions attached to the transfer.

**Methods of Disposition – Personal Property:**

- 1) **Transfer between departments** – Departments are encouraged to reuse surplus property through a transfer to another Flathead County department. Prior to using another method of disposal, the elected official/department head should make a reasonable effort to determine if another county department has a need or use for the item.
- 2) **Trade-in** – Departments should evaluate the benefits of a trade-in on a case by case basis.
  - a. Purchase of property with a value greater than \$2,500 needs to have documented a fair market value prior to trade-in.
  - b. Trade-ins are recommended if the allowance given is of sufficient value to outweigh the likely net proceeds obtained through sale to a third party.
- 3) **Sale**  
If the property to be sold is **valued at less than \$2,500**, it may be sold at a public sale determined to be in the best interest of the county. If the property is sold at public sale, notice must be given as provided in MCA 7-1-2121.

If the property is **valued in excess of \$2,500**, must be sold at public action, competitive sealed bid, posted prices, electronic online auctions or established markets. There must, before any sale, be an appraisal of the property at a price representing a fair market value of such property. Such appraised value shall be stated in the notice of sale. No sale shall be made of any property unless it has been appraised within 3 months prior to the date of the sale. Departments must document the methods used to establish the appraised value. A valid appraiser must be someone that is an expert in appraising that type of property. There can be no appearance of, or direct conflict of interest by the appraiser.

**NOTE:** Auctioneers conducting the public sale must be bonded (a copy of the bond must be given to the finance department) and selected through the competitive process.

**Terms of Sale** – All sales must be for cash. Title to any property sold may not pass from the county until the purchaser has paid the full amount of the purchase price.

A sale may not be made for less than 90% of the appraised value.

If no bid or offer is made for any property offered for sale at public auction, the board of county commissioners may, at any time after the auction, sell the property at private sale and may at the private sale accept as the purchase price an amount not less than 70% of the appraised value of the property. (MCA 7-8-2213)

**Use of Proceeds** – At the discretion of the Board of County Commissioners, proceeds derived from the sale of disposed property may be credited back to the fund that purchased the property. Remaining proceeds with unidentified funding sources will be credited to the general fund.

**County Employee participation** – County employees are permitted to participate in the purchase of surplus personal property, but only in the same manner as the public at large. No county employee shall be given any consideration or privilege that might be construed as conferring advantage in the outcome of the sale. Employees of the selling department, or any immediate family members of such employees, shall not participate in any sale conducted through a sealed bid if they influence the maintenance, decision to surplus, determination of appraised value, or any aspects involving the disposition of the item.

**Grant funded assets:** Prior to the disposal of property obtained with federal grant funds, the department shall consult grant documents to determine compliance procedures for such disposal.

- 4) **Scrapped/Recycled** – If surplus property is damaged or reduced to a state beyond repair (destroyed), the item should be disposed of as salvage or scrap. Proceeds of scrap material must be deposited in the county funds.
- 5) **Cannibalization** – A department may determine that the best use of a surplus item is to cannibalize it for the serviceable components. Any residual parts should be recycled or disposed of as salvage or scrap.



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(Continued)**

6) **Sale/trade to another Government Entity:** - The board of county commissioners shall have the power to sell directly to another government entity, without the necessity of a public auction, any real or personal property, however acquired, belonging to the county and which is not necessary to the conduct of the county's business or the preservation of its property, for its appraised value, which shall represent a fair market value of such property. If the value is in excess of \$2,500, notice of the sale shall be given by publication as provided in MCA 7-2-2121. The Board of Commissioners must first pass a resolution of intent and have it entered in the minutes of the regular or special meeting. A trade of property with another government entity does not require an appraisal of the property traded or purchased. (MCA 7-8-101 (3) a)

7) **Donations:** Donations of surplus property are not permissible.

**Methods of Disposition – Real Property:**

**Any** (not subject to \$2,500 value) sale, trade, or exchange of real property must be accomplished under the provisions of MCA 7-8-2211. In an exchange of real property, the properties must be appraised, and an exchange of county property may not be made unless property received in exchange for the county property is of an equivalent value. If the properties are not of equivalent values, the exchange may be completed if a cash payment is made in addition to the delivery of title for property having the lesser value.

All the other conditions of the sale of personal property listed above apply to real property.

***NOTE: Finance must be notified when any asset is disposed of regardless of the method of disposal!***

**DOCUMENT FOR SIGNATURE: CREDIT CARD AGREEMENT/ BANK OF AMERICA**

[9:35:26 AM](#)

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Finance Director Sandy Carlson, Clerk Kile

Commissioner Holmquist made a **motion** to approve the credit card agreement with Bank of America. Commissioner Scott **seconded** the motion. **Aye** - Lauman, Scott and Holmquist. Motion carried unanimously.

**BUDGET AMENDMENT: FY12 FINAL**

[9:36:34 AM](#)

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Finance Director Sandy Carlson, Clerk Kile

Carlson reviewed the budget amendment presented.

Commissioner Scott made a **motion** to approve Budget Amendment Resolution #2344. Commissioner Holmquist **seconded** the motion. **Aye** - Lauman, Scott and Holmquist. Motion carried unanimously.

**BUDGET AMENDMENT  
RESOLUTION # 2344**

**WHEREAS**, the Board of Commissioners has determined, and various department heads have requested and verified, that budget revisions between line items for Fiscal Year 2012-2013, are required, and;

**WHEREAS**, Section 7-6-4031, M.C.A. and Budget Resolution No. 1689, allow budget transfers to be made between items in the same fund.

**NOW, THEREFORE, BE IT RESOLVED**, that the attached list of transfers and revisions shall be made in the budget for Flathead County for Fiscal Year 2012-2013; and;

**BE IT FURTHER RESOLVED**, that this Resolution and the attached list of transfers and revisions shall be entered into the minutes of the Board of Commissioners.

Dated this 23<sup>rd</sup> day of October, 2012.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Dale W. Lauman  
Dale W. Lauman, Chairman

By/s/Absent  
Pamela J. Holmquist, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Calvin L. Scott  
Calvin L. Scott, Member

By/s/Diana Kile  
Diana Kile, Deputy

**TUESDAY, OCTOBER 23, 2012**  
**(Continued)**

Account	Description	Debit	Credit
4026.000.0221.381010.000	RECLASS 911 BONDS		800,000.00
4026.000.0221.420750.731	RECLASS 911 BONDS	800,000.00	
2395.000.0202.341040.000	RECORDS PRESERVATION		18,611.00
2395.000.0202.410911.398	RECORDS PRESERVATION	18,611.00	
2992.000.0259.334126.000	RECORD PARKS GRANT		2,500.00
2992.000.0259.460430.397	RECORD PARKS GRANT	2,500.00	
2986.000.0726.450320.398	SENIOR CENTERS	0.08	

**QUARTERLY JAIL FACILITY TOUR & MEETING W/ CHUCK CURRY, SHERIFF**

10:00:00 AM

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Sheriff Chuck Curry, Weed/ Parks and Maintenance Director Jed Fisher

**MEETING W/ ERIN GABRIAN KANE/ CONGRESSMAN REHBERG'S OFFICE RE: UPDATE**

10:30:03 AM

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Erin Gabrian Kane, Clerk Kile

Gabrian met with the commission, and provided an update on issues concerning the farm bill, tax cuts and secure rural school funding.

**PUBLIC HEARING: MESSENGER & SAVELLE ZONE CHANGE/ BIGFORK ZONING DISTRICT**

11:00:08 AM

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Deputy County Attorney Peter Steele, Planner Alex Hogle, Planner Eric Mack, Rick Breckenridge, Tracy Reiling, Clerk Kile

Hogle entered into record FZC 12-01; a zone change request submitted by Louise Messenger and Don and Rebekah Savelle to change zoning on 10 acres located at 1430 and 1434 Bigfork Stage Road from SAG-5 to R-1 in Bigfork Zoning District. He reviewed findings of fact #2 regarding the unpaved road and public water and sewer services.

**Chairman Lauman opened the public hearing to anyone wishing to speak in regards to the zone change.**

Rick Breckenridge, technical consultant for the applicants spoke about the traffic count on the road, which he stated has steadily gone down since 2007 and noted now with the green box site closing in Bigfork it will be further reduced. Breckenridge stated he found 17 goals and policies in the Bigfork Neighborhood Plan that supported the zone change. He spoke about goal four regarding aging population and reviewed history of the property. He explained the main reason for the application is for family members to live in close proximity.

**No one else rising to speak, Chairman Lauman closed the public hearing.**

Commissioner Scott made a **motion** to adopt Resolution #956DA. Commissioner Holmquist **seconded** the motion. **Aye** - Lauman, Scott and Holmquist. Motion carried unanimously.

RESOLUTION NO. 956 DA

WHEREAS, the Board of Commissioners of Flathead County, Montana, held a public hearing on the 23<sup>rd</sup> day of October, 2012, concerning a proposal by Louise Messenger and Don and Rebekah Savelle, to change the zoning designation in a portion of the Bigfork Area Zoning District from SAG-5 (Suburban Agricultural) to R-1 (Suburban Residential);

WHEREAS, , notice of that hearing was posted for at least 45 days prior to the public hearing and published pursuant to Section 76-2-205(1), M.C.A., on October 9 and October 16, 2012;

WHEREAS, the Board of Commissioners did hear public comment on the proposed zoning change at said hearing; and

WHEREAS, the Board of Commissioners reviewed the recommendation of the Flathead County Planning Board regarding the proposed change in the Bigfork Area Zoning District.

NOW THEREFORE, BE IT RESOLVED that the Board of Commissioners of Flathead County, Montana, hereby adopts findings of fact as to the statutory criteria as adopted by the Flathead County Planning Board, and in accordance with Section 76-2-205(4), M.C.A., adopts this resolution of intention to change the zoning designation in a portion of the Bigfork Area Zoning District from SAG-5 (Suburban Agricultural) to R-1 (Suburban Residential). The subject property can legally be described as a Tract 1 of Certificate of Survey No. 18954, (Assessor's Tract 7A) and Tract 2 of Certificate of Survey No. 18954, (Assessor's Tract 7AD), two tracts of land situated, lying and being in the Northeast Quarter of the Southeast Quarter (NE ¼ SE ¼ ) of Section 24, Township 27 North, Range 20 West, P.M.M., The property is located at 1430 and 1434 Bigfork Stage Road, Bigfork, Montana

BE IT FURTHER RESOLVED that notice of the passage of this resolution, stating the boundaries of the portion of the Bigfork Area Zoning District to be changed, the general character of the proposed designation for the area to be changed, that the regulations for said district are on file in the Clerk and Recorder's Office, and that for thirty (30) days after the first publication of thereof, the Board will receive written protests to the change to the Bigfork Area Zoning District, shall be published once a week for two weeks.



**TUESDAY, OCTOBER 23, 2012**  
**(Continued)**

BE IT FURTHER RESOLVED, that written protests will be received from persons owning real property within the Bigfork Area Zoning District for a period of thirty (30) days after first publication of that notice, provided that, in order that only valid signatures are counted, the freeholders who file protests are either registered to vote in Flathead County or execute and acknowledge their protests before a notary public.

BE IT FURTHER RESOLVED that if forty per cent (40%) of the Owners of Real Property within the Bigfork Area Zoning District protest the proposed change in said district, then the change will not be adopted.

DATED this 23<sup>rd</sup> day of October, 2012.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

By/s/Dale W. Lauman  
Dale W. Lauman, Chairman

By/s/Pamela J. Holmquist  
Pamela J. Holmquist, Member

By/s/Calvin L. Scott  
Calvin L. Scott, Member

ATTEST:  
Paula Robinson, Clerk

By/s/Diana Kile  
Diana Kile, Deputy

Commissioner Holmquist made a **motion** to approve publication of the Notice of Passage of Resolution of Intent. Commissioner Scott **seconded** the motion. **Aye** - Lauman, Scott and Holmquist. Motion carried unanimously.

NOTICE OF PASSAGE OF RESOLUTION OF INTENTION  
BIGFORK AREA ZONING DISTRICT

The Board of Commissioners of Flathead County, Montana, hereby gives notice pursuant to Section 76-2-205(5), M.C.A., that it passed a resolution of intention (Resolution No. 956DA) on October 23, 2012, to change the zoning designation in portions of the Bigfork Area Zoning District from SAG-5 (Suburban Agricultural) to R-1 (Suburban Residential);

The proposal would change the zoning on 10 acres. The proposal would change the zoning from SAG-5 (Suburban Agricultural) to R-1 (Suburban Residential) The subject property can legally be described as a Tract 1 of Certificate of Survey No. 18954, (Assessor's Tract 7A) and Tract 2 of Certificate of Survey No. 18954, (Assessor's Tract 7AD), two tracts of land situated, lying and being in the Northeast Quarter of the Southeast Quarter (NE ¼ SE ¼ ) of Section 24, Township 27 North, Range 20 West, P.M.M., The property is located at 1430 and 1434 Bigfork Stage Road, Bigfork, Montana.

The proposed change would generally change the character of the zoning regulations applicable to the property from a district intended to protect and preserve smaller agricultural functions, to provide a buffer between urban and unlimited agricultural uses, encouraging concentration of such uses in areas where potential conflict of uses will be minimized, and to provide areas of estate-type residential development, to a residential district intended to provide estate type development, in rural areas away from concentrated urban development or in areas where it is desirable to permit only low density development. The SAG-5 classification has a minimum lot size of 5 acres; a change to R-1 would result in a minimum lot size of 1 acre.

The Flathead County Zoning Regulations defining the SAG-5 and R-1 zones are on file for public inspection at the Office of the Clerk and Recorder, 800 South Main, Kalispell, Montana, and the Flathead County Planning and Zoning Office, 1035 1st Avenue West, Kalispell, Montana, and on the Flathead County Planning and Zoning Office's website, at: <http://flathead.mt.gov/planning>. Documents related to the proposed amendment in the Bigfork Area Zoning District are also on file for public inspection at the Office of the County Clerk and Recorder and the Flathead County Planning and Zoning Office.

For thirty (30) days after the first publication of this notice, the Board of Commissioners will receive written protests to the change proposed for a portion of the Bigfork Area Zoning District from persons owning real property within the Bigfork Area Zoning District whose names appear on the last completed assessment roll of Flathead County and who either are registered voters in Flathead County or execute and acknowledge their protests before a notary public.

DATED this 23<sup>rd</sup> day of October, 2012.

BOARD OF COUNTY COMMISSIONERS  
Flathead County, Montana

ATTEST:  
Paula Robinson, Clerk

By/s/Dale W. Lauman  
Dale W. Lauman, Chairman

By/s/Diana Kile  
Diana Kile, Deputy

Publish on October 27 and November 3, 2012.

**CONTINUATION OF DISCUSSION RE: CO-APPLICANT AGREEMENT/ COMMUNITY HEALTH CENTER**

11:13:08 AM

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Deputy County Attorney Tara Fugina, Health Dept. Director Joe Russell, Health Dept. Wendy Doely, Glen Aasheim, Sherry Stevens, Chris Krager, Clerk Kile

Fugina reported she attended a Coordinating Committee meeting last week where the Co-Applicant agreement between Community Health, Flathead City-County Board of Health and Flathead County was discussed. She reviewed majors concerns in the draft copy presented.

**TUESDAY, OCTOBER 23, 2012  
(Continued)**

The concerns included:

- ✓ 3.2.9 All authorities and responsibilities
- ✓ 3.2.10 Health Center shall be responsible to pay reasonable costs associated with operating the Health Center within the Health Department and the County---not exactly sure what is meant by that. Who determines what is reasonable.
- ✓ 3.3.2 I believe this section may be appropriate with the executive director having authority to negotiate, execute and administer all contracts under the federal law, but it directly flies in the face of county policy.
- ✓ 3.4.1 There is a provision pursuant to county fiscal policies regarding the governing force being responsible for maintaining a balanced budget. Brings up a question that was also brought up at the Coordinating Committee meeting regarding following county policies.
- ✓ 4.2.2 Is a statement of fact.
- ✓ 4.2.3 The Board of County Commissioners may not unilaterally revise a budget. That is a provision for a Community Health Center that is required by law. It may be a provision that is irreconcilable or difficult to reconcile. It would be a little different if there were no use of county funds in running the Health Center, but county funds are used in running it.
- ✓ 4.2.4 Concern in that it specifically requires the county to provide certain services.
- ✓ 4.2.5 Concern in that it specifically requires the county to provide certain services.
- ✓ 4.2.6 Concern in that it specifically requires the county to provide certain services.
- ✓ 4.2.7 Concern in that it specifically requires the county to provide certain services.
- ✓ 5.1 Concerning formation of a coordinating committee. Not sure if a member of the county administration is suppose to be on here---possibly typos that slipped through in the original draft. Not sure of the intent.
- ✓ 7 Termination of the agreement is one of the biggest risks that this agreement causes the county. Basically what it says, is if you want to terminate you will need approval by a federal agency to get out of the agreement.
- ✓ 8 Notices required by the agreement Flathead County was left out of it. Typo or oversight.  
Under the termination provisions there are some causes concerning mediation, while I understand mediation can certainly help parties resolve their differences in some cases, it can also be used as a stall tactic or ends up being a stall tactic.

Other sections identified as problematic were reviewed under 2.2.1 and 2.2.2.

Fugina asked for direction from the commission, as to what she should provide to the coordinating committee.

Commissioner Holmquist said the concern all along has been the liability that comes with this, and who is in control of what. She explained she still isn't sold on the new draft co-applicant agreement, and stated if we can work on the agreement that we have in place now and possibly make it fit then I think that is the direction we should take at this time.

Fugina said the tone of the new agreement is a lot different that the tone of the original agreement that seems to want to retain more power, authority and autonomy for the Health Center. It would further distance them from any kind of county government that you have through the Health Department and Health Board.

Commissioner Scott added in addition to the comments made from Commissioner Holmquist, I am mindful and focusing on Section 4 with regard to defining what the county does, and its liability; the liability again being a concern. The other issue is with Section 7 that it is somewhat of a confusing process in the event something were to take place, and we had a conflict that would be challenging and expensive in resolving the matter that I don't think would be a good position for any of us to be in.

The matter was tabled for discussion again on Monday, October 29, 2012.

**DOCUMENT FOR SIGNATURE: DECLARATION OF SURPLUS PROPERTY/ I.T.**

[11:28:27 AM](#)

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Deputy County Attorney Tara Fugina, Clerk Kile

Commissioner Holmquist made a **motion** to approve the document for signature. Commissioner Scott **seconded** the motion. **Aye** - Lauman, Scott and Holmquist. Motion carried unanimously.

**CONSIDERATION OF PRINT BIDS: PLANNING & ZONING OFFICE**

[11:29:30 AM](#)

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Clerk Kile

Commissioner Scott made a **motion** to award the print bid to Great Northern Printing for 3 set of 500 business cards for \$86.85 for the Planning & Zoning Office. Commissioner Holmquist **seconded** the motion. **Aye** - Lauman, Scott and Holmquist. Motion carried unanimously.

**12:00 p.m. Commissioner Holmquist: CDC Board meeting @ Three Rivers Bank**  
**3:00 p.m. Commissioner Scott: Refuse Board meeting @ Solid Waste District Office**

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on October 24, 2012.

\*\*\*\*\*

**WEDNESDAY, OCTOBER 24, 2012**

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Lauman, Commissioner Scott and Holmquist, and Clerk Robinson were present.

**Chairman Lauman opened public comment on matters within the Commissions' Jurisdiction.**

**WEDNESDAY, OCTOBER 24, 2012  
(Continued)**

Sharon Askelson, spoke about concerns regarding the new AOA building that is proposed to be built at the Fairgrounds. She explained there are parking problems already during the Fair, and to add another building there would multiply parking problems. Askelson stated the decision should come before the voters as to whether the AOA building should be built at the Fairgrounds.

**No one else rising to speak, Chairman Lauman closed the public comment period.**

**MONTHLY MEETING W/ DAVE PRUNTY, SOLID WASTE DISTRICT**

[9:30:38 AM](#)

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Public Works Director Dave Prunty, Solid Waste Operations Manager Jim Chilton, Clerk Kile

Prunty reported on the Bigfork-Lakeside container site closure, preliminary work on the landfill expansion project, reviewed an annual volumetric report for the landfill, presented an update on the canyon container site construction, reported on union negotiations with operating engineers local 400, and spoke about the removal of the home purchased for the landfill expansion.

**BI-MONTHLY MEETING W/ KIM CROWLEY, LIBRARY**

[10:00:54 AM](#)

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Library Director Kim Crowley, Clerk Kile

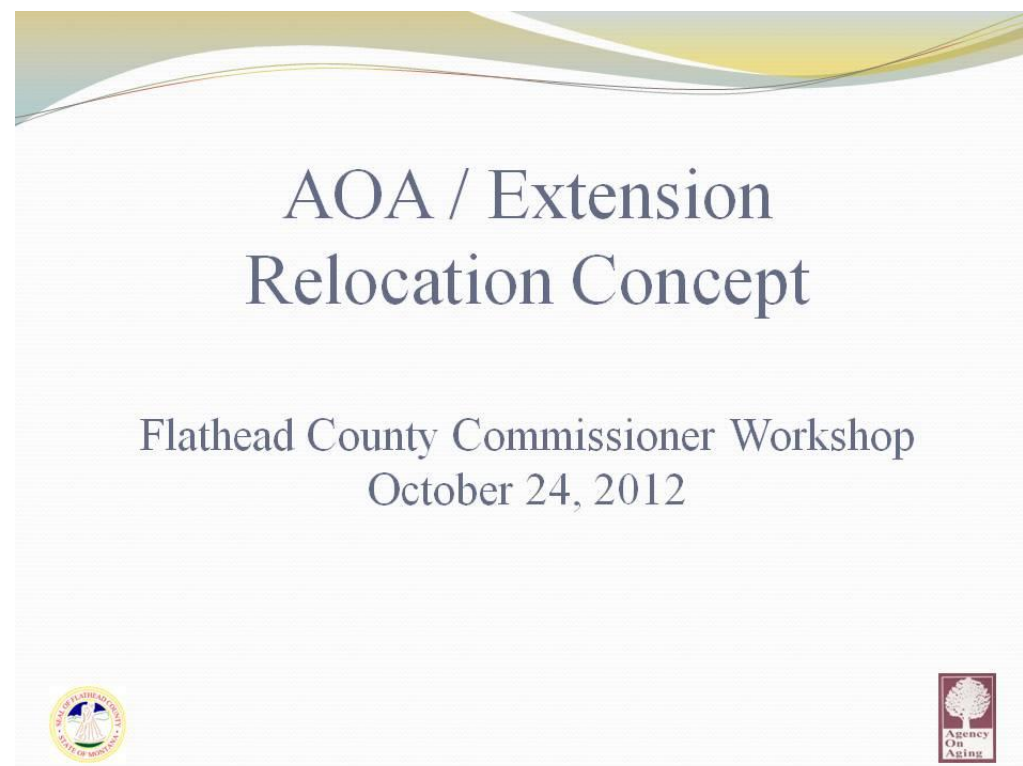
Crowley reviewed the results of a survey regarding library operating hours and explained the Library Board would be looking at the results, and potentially changing some hours of operation. She reported reconfiguration work at the Main Library would start this Friday and the Library will be closed through the weekend. In other business, she reported she attended a conference in September and then explained the Library Board is still pursuing moving the Columbia Falls branch into the Glacier Discovery Square. She noted the Library Board, foundation and staff feel strongly that if they can create a \$2 million dollar library for the Columbia Falls community with only \$100,000 of taxpayer money that it is responsible and a good thing to do.

**MEETING W/ MARK CAMPBELL, INTERIM AOA DIRECTOR RE: AOA BUILDING CONCEPT**

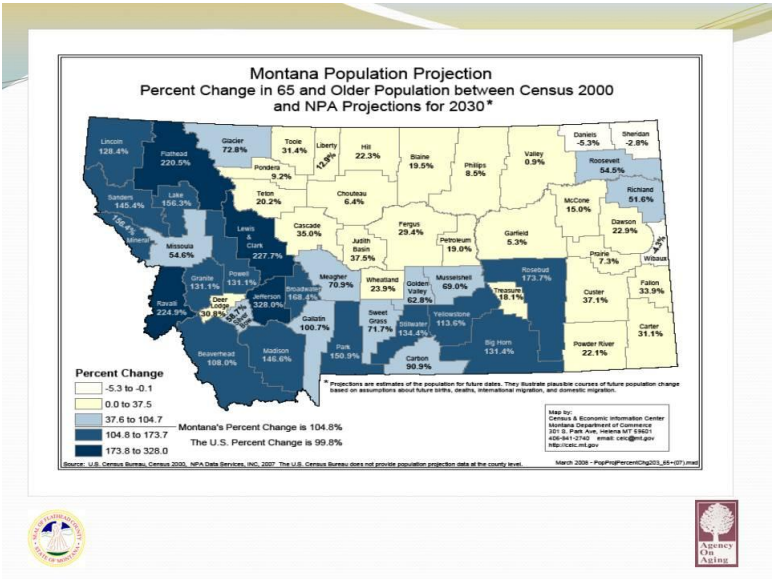
[10:15:19 AM](#)

Present: Chairman Dale W. Lauman, Commissioner Calvin L. Scott, Commissioner Pamela J. Holmquist, Assistant Mike Pence, Interim AOA Director Mark Campbell, RSVP Director Sue Holst, RSVP Office Kathi Kallis, Clerk & Recorder Paula Robinson, MSU Extension Agent Pat McGlynn, 4-H Director Tammy Walker, Sharon Askelson, Patricia McClarty, Verlyn Krumlund, Tim Harmon, Butch Woolard, Herb Albright, Pastor Dawn Schnur, Herb Albright, Bette J. Albright, Roberta Winter, Carol Fortner, Jim Pearson, Cindy Slyh Curtis, Jody Fee, Rosanne Taylor, Wes Hula, Candace Chase, Robert W. Olson, Jane Seward, Edward Sohe, Susan Kenda, Lynne Lippy, George Colonius, Connie Colonius, Marcus Keithly, Marcia Burns, Faye Hartsoch, Don Loveless, Mike Absalonson, Nadine Eckert, Charles Lapp, Clerk Kile

Mark Campbell reported the senior population in Flathead County is growing at a rapid rate and the county will be seeing a silver tsunami as the baby boomers turn into 65 plus seniors in a short time frame. He reviewed the following AOA/Extension Relocation Concept.







### Change in Area Population

2000 Census data counted 9,656 or 12.97% of Flathead residents as 65 years of age or older.

2010 Census data showed this increase to 13,730 or 15.1% of all residents in Flathead County at 65+. A gain of 3,447 people.

2030 projections grow Flathead County's 65+ population to 21,291, and increase of 220.5%

### Nutrition Services

Congregate Meals-All Senior and non-Senior				
	Kelly Road	K S C	Annual Total Both Sites	Average Daily Meals
FY 2011				
Totals	11,709	3,369	15,078	60.55
FY 2012				
Totals	11,891	3,646	15,537	62.4
% Change 2011 to 2012	1.02	1.08	1.03	1.03
Projected Growth at 2030	18,439	5,654	24,093	96.76

### Workplace and Patron Safety

- Freezers are outdoors creating transition and weather issues when moving heavy bulk items
- Kitchen isles are narrow causing employee lifting and movement concerns
- Electrical distribution system is overburdened and scattered
- Flooring and mats create trip hazards and sanitation concerns for all
- Roof design unloads snow onto parking spaces and walkways
- Multiple types of floor surfaces creates strain in moving of items and trip hazards

per Pat McCarthy, Western States Insurance

Tammy Walker, 4-H Extension Agent explained benefits of networking the youth population with the aging population. She said bringing them together and integrating the programs would be beneficial to all.

Pat McGlynn, MSU Extension Agent also endorsed the proposal for the building location. She said she is looking forward to having an educational training room.

**WEDNESDAY, OCTOBER 24, 2012**  
**(Continued)**

## County Extension and 4H Services

Concept includes a permanent location for Extension offices with storage and mutual use of training and meeting facilities.

Integrating of Extension into Fairgrounds and Senior areas:

4-H and Youth Development

Natural Resources

Community and Economic Development

Agriculture and Horticulture (Master Gardner)

Supplemental Nutrition Assistance Program Education (SNAP)

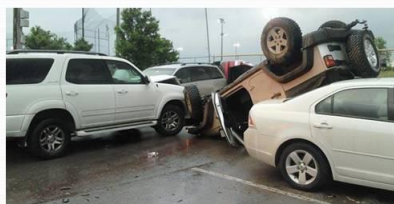


## Current Challenges

- Current location is disconnected to where the senior population lives
- Size is 8,690 sq ft which includes offices and work areas for 20 employees, kitchen, commodity storage, freezers (outside), and 3 storage units.
- Congregate meal seating space is limited to 54 chairs. Average daily meal service is 47+. Popular days reach 80 meals served and requires waiting for available seat. No growth capabilities.
- Rental vs. ownership – location was originally intended as short-term space.
- Parking is limited at peak periods such as MOW route pick-up and lunch.



## Parking Issues



Liver and Onion day

Needed that one more space



## Concept Considerations

- Centrally located to Senior and Extension populations served
  - ease of travel by bus, auto, or within walking distance
  - ingress and egress for larger crowds
  - capacity to handle bus and truck (delivery) services
- Future expansion capability.
  - space to accommodate programs, events, and expanded activities
  - connecting to new and expanded relationships
- Accommodate Teaching/Learning programs
  - use the expertise of Extension Services
  - share the knowledge and experience of our seniors







## Concept Considerations – cont.

- Low cost to County taxpayers
  - property and space must be affordable and efficient use of County resources
  - must have long-term value, benefit, and applicability
  - must consider growth of senior population and needs with affordability in mind at all times
- Be flexible in all spaces to serve many different needs with one investment
- Provide a benefit to everybody

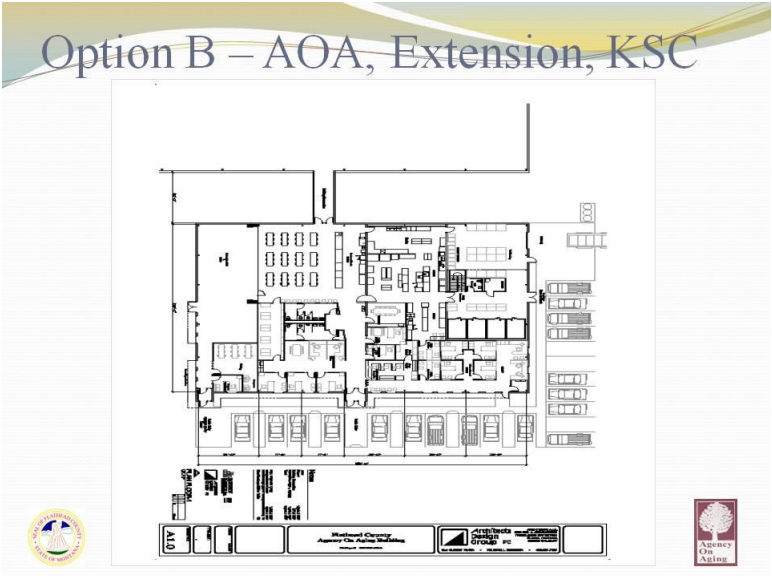
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# Option A – quick facts

- Total: 11,431 sq. ft.
- Additional items:
  - building connection to Trade Center
  - mechanical mezzanine/storage area
  - handicapped, MOW, and patron parking
- Includes:
  - Extension service office, storage, work stations
  - Kitchen, commodity storage, covered loading area, freezers (indoors)
  - AOA, I&R, RSVP office spaces
  - Common conference room
  - Dining area

[illegible]

WEDNESDAY, OCTOBER 24, 2012  
(Continued)



### Option B – quick facts

- Includes all items of Option A plus:
- Total: 15,000 sq. ft.
- Additional items:
  - program / activity space – 1,650 sq ft or fully open is 2,900 sq ft
  - art / classroom – 225 sq ft
  - senior computer stations – 2 locations
  - KSC manager office
  - collapsible wall between activity area and dining
  - separate entrance

Sandy Carlson reviewed the following cost comparison rent vs. own. She explained in her best guess estimate with the three options presented that it would be an overall wash.

Cost Comparison Rent vs. Own AOA building: (continued)					
RENT					
Monthly Rental-FY13	4,360	Net Present Value of all Rental pymts*			\$1,624,097.85
Average Yearly Rental	66,635	*Using 3% rate			
*Assume 3 year lease with 3% inflation factor		Cummulative Rent Pymts	PV today*	# of payments	Cumm value today
Jul-14	4,360.00	4,360.00	\$4,349.13	1	\$4,349.13
Aug-14	8,720.00	4,360.00	\$4,338.28	2	\$8,687.41
Sep-14	13,080.00	4,360.00	\$4,327.46	3	\$13,014.87
Oct-14	17,440.00	4,360.00	\$4,316.67	4	\$17,331.54
Nov-14	21,800.00	4,360.00	\$4,305.91	5	\$21,637.45
Dec-14	26,160.00	4,360.00	\$4,295.17	6	\$25,932.62
Jan-15	30,520.00	4,360.00	\$4,284.46	7	\$30,217.07
Apr-64	3,317,747.53	6,996.52	\$1,571.89	598	\$1,620,965.82
May-64	3,324,744.05	6,996.52	\$1,567.97	599	\$1,622,533.79
Jun-64	3,331,740.57	6,996.52	\$1,564.06	600	\$1,624,097.85
Jul-64	50				
		3,331,740.57	\$1,624,097.85		

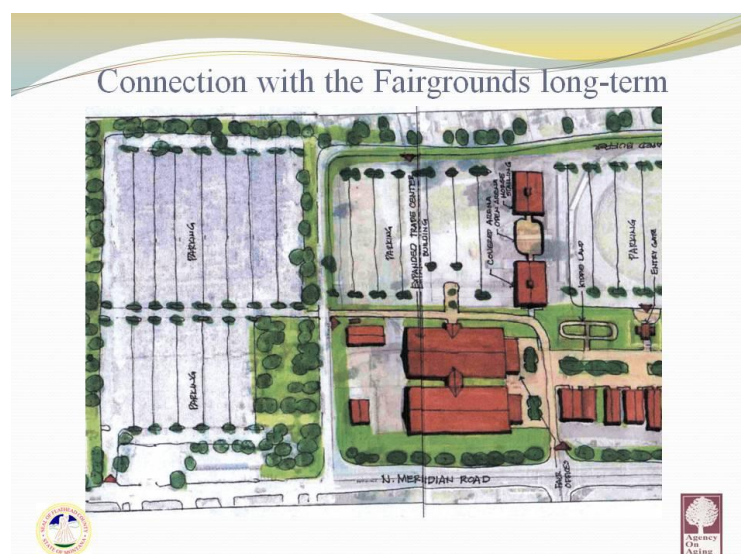
Cost Comparison Rent vs. Own AOA building:					
BUILD (OWN) - Option A					
<b>Cost to purchase new building</b>					
@11,430 sq ft		1,455,529			
5% contingency		72,776			
Estimated building cost		1,528,305			
PV Increase in utility costs (considering increased sq ft & efficiency)		\$1,450	Estimated at \$2,000/year		
<b>Add! Building Improv needed in 25 years</b>					
New roof	25,000				
Update flooring	25,000				
Heat & air replacement	100,000				
Communications & Security	20,000				
Parking Lot	100,000				
Total Building Improvements	270,000	PV of improv	141,046		
Estimated Cost today - Initial Building & Improvements in 25 years		1,720,811	88% of building for AOA		1,514,314
			12% for 4th Extension		

**WEDNESDAY, OCTOBER 24, 2012  
(Continued)**

Cost Comparison Rent vs. Own				
Cost Comparison Rent vs. Own AOA building: (continued)				
BUILD (OWN) - Option B				
Cost to purchase new building				
@ 15,000 sq ft		1,780,637		
5% contingency		89,032		
Estimated building cost:		1,869,669		
Potential Sale of Sr. Center Building less 10% selling expenses		(376,200)		
PV Increase in utility costs (considering increased sq ft & efficiency)		61,751	Estimated @ \$2,400/year	
<b>Add'l Building Improv needed in 25 years</b>				
New roof	30,000			
Update flooring	30,000			
Heat & air replacement	120,000			
Communications & Security	24,000			
Parking Lot	120,000			
Total Building Improvements	324,000	PV of Improv	169,256	24% Sr. Center
<b>Estimated Cost today - Initial Building &amp; Improvements in 25 years (net)</b>		<b>1,724,476</b>	67% of building for AOA	<b>1,155,399</b>
			9% for 4H/Extension	

Jim Pearson summarized challenges they face in the current location they are in with the building being close to 100 years old. He explained he likes the idea of having the 4-H Extension Office in the same building as AOA. Pearson stated if the Kalispell Senior Center could be a part of it, that it would be a great opportunity for the senior population with all they have to offer in working with youth.

Program Options	
<u>Kalispell Senior Center (KSC)</u>	
aerobics and exercise classes	
dances clinics	
computer education and access	
arts and crafts scrapbooking more	
<u>Extension</u>	
SNAP education classes	
Master Gardening public presentations	
Horticulture and Agronomy 4H meetings and training	
<u>Nutrition</u>	
fundraising and special programs	
kitchen support to fairground events & functions	



Mark Campbell explained why the location makes sense. He noted the property is already existing county property and there are different program elements that can come together and be a part of this. The Fairgrounds long-term concept and county investment in this direction provides infrastructure both not only to the Fairgrounds, but also to long-term growth. He stated this would change how the Fairgrounds operates, which can be difficult to accept at some points. The key to a successful Fairgrounds or any program is how do we connect back with the community; this builds and establishes long-term connections with not only the senior and youth population, but also opens the door for many different aspects. Campbell thanked all those involved in helping to prepare the AOA/Extension relocation proposal, and stated they feel this is a viable project that meets a short and long-term need for many different things in the county.

Chairman Lauman said he feels the time is now and feels it can be funded by the county; if it were going to the taxpayers, I would have to say no. He explained the cost of rent being paid currently amounts to about \$52,000 a year and in ten years that amounts to around \$500,000. He spoke about the return on an investment and said the benefits are here. Lauman stated if you look at how it benefits the people, senior citizens of this county and our youth population it can all tie in with the Fairgrounds as a wonderful mix. He said currently building costs are down and now is the time to do it with good prices being offered. Lauman explained the current facility has been outgrown and reviewed existing safety concerns that are being condoned. He stated he supports one of the options, yet they need to be studied further.

George Colonius asked the commission if they were to going to vote today how they would vote.

Commissioner Holmquist and Commissioner Scott noted this is the first they have seen of the proposal today, and do not have an opinion.

**11:00 a.m. County Attorney meeting @ Co. Atty's Office**

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on October 25, 2012.

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## **THURSDAY, OCTOBER 25, 2012**

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Lauman, Commissioner Scott and Holmquist, and Clerk Robinson were present.

**4:00 p.m. Commissioner Holmquist: BLUAC meeting @ Bethany Lutheran Church**

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on October 26, 2012.

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## **FRIDAY, OCTOBER 26, 2012**

The Board of County Commissioners met in continued session at 8:00 o'clock A.M. Chairman Lauman, Commissioner Scott and Holmquist, and Clerk Robinson were present.

**NO MEETINGS SCHEDULED**

At 5:00 o'clock P.M., the Board continued the session until 8:00 o'clock A.M. on October 29, 2012.

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